## Message Text

CONFIDENTIAL

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**ACTION EA-06** 

INFO OCT-01 SS-14 ISO-00 NSC-05 NSCE-00 PM-03 INR-05

CIAE-00 DODE-00 L-01 EB-03 MC-01 PRS-01 /040 W

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R 250355Z APR 75 ZDK FM AMCONSUL HONG KONG TO SECSTATE WASHDC 4701 INFO USLO PEKING

CONFIDENTIAL HONG KONG 4479

LIMDIS

E.O. 11652: GDS

TAGS: ETRD, ESTC, EAIR, CH, US

SUBJECT: PRC INTEREST IN MORE BOEING 707S

1. IN COURSE OF MEETING WITH USLO OFFICERS AT CANTON FAIR APRIL 19, MAO P'EI-HENG, (3029/0160/5899) AN OFFICIAL OF THE CHINA NATIONAL MACHINERY IMPORT AND EXPORT CORPORATION, RAISED THE ISSUED OF THE ABORTED TALKS WITH BOEING LAST YEAR FOR MORE 707S. INREPLY TO QUESTION ABOUT AREAS OF POSSIBLE INTEREST IN FURTHER IMPORTS FROM THE US, MAO SAID SOME NEGOTIATIONS HAVE BEEN GOING FORWARD BUT SOME HAVE FAILED SUCH AS THE FAILURE TO REACH AGREEMENT ON FURTHER PURCHASES OF BOEING 707S DUE, HE EMPHASIZED, "TO CERTAIN REASONS". MAO WAS CLEARLY REFERRING TO USG REFUSAL TO PERMIT THE TRANSFER OF SOME OF THESE AIRCRAFT TO NORTH KOREA. USLO OFFICER CONFINED HIS RESPONSE TO STATEMENT THAT HE SAW NO OBSTACLES TO FURTHER SALE OF BOEINGS "TO CHINA".

2. DEPARTMENT MAY BE INTERESTED IN THIS BRIEF EXCHANGE, SINCE IT IS FIRST TIME ANY CHINESE HAS MENTIONED PRC INTEREST IN MORE BOEINGS TO A USLO OFFICER. IMPRESSION OF USLO OFFICERS AT MEETING WAS THAT MAO HAD BEEN PREPARED IN ADVANCE TO MENTION THE MATTER, BUT THEY ARE NOT CONFIDENTIAL

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CLEAR WHETHER HE MEANT MERELY TO TAKE OBJECTION TO A

USG EXPORT CONTROL DECISION OR WHETHER HE WISHED TO STRESS THAT CHINA WANTS MORE BOEINGS. WE ASSUME THE FORMER, BUT IT MIGHT NOT DO ANY HARM FOR BOEING TO CONTACT THE CHINESE AGAIN. IN DOING SO, THE FIRM COULD MENTION THE CONVERSATION USLO OFFICERS HAD WITH MAO.

3. IF IT PERCEIVES NO OBJECTIONS, REQUEST DEPARTMENT INFORM BOEING OF THE ABOVE. CROSS

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## Message Attributes

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**Current Classification: UNCLASSIFIED** Concepts: JET AIRCRAFT, AIRCRAFT SALES

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Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JÚL 2006

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Subject: PRC INTEREST IN MORE BOEING 707S TAGS: ETRD, ESTC, EAIR, CH, US, BOEING To: STATE

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